

Hawai'i Public Housing Authority



Bringing People Together to Make Housing Dreams Come True

Annual Report
July 1, 2006 - June 30, 2007



Agency Timeline

1935

The Hawaii Housing Authority was created by the Territorial Legislature to provide safe and sanitary housing for low-income residents of Hawaii.

1987

The Housing Finance and Development Corporation was created by Act 337 as part of Governor John Waihee's initiative to create a streamlined organization to promote affordable housing.

1997

Act 350, under the Cayetano Administration, consolidated the Hawaii Housing Authority and the Housing Finance and Development Corporation into a single housing agency known as the Housing and Community Development Corporation of Hawaii (HCDCH).

2005

On July 5, 2005, Governor Linda Lingle signed Act 196 which effectively split the HCDCH into two agencies, the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC).

Under this new structure, HPHA is charged with managing federal and State public housing programs, including Section 8 and senior housing. The finance and development functions of HCDCH formed the core of HHFDC, which is tasked with developing and financing low- and moderate-income housing projects and administering home ownership programs.

2006

On July 1, 2006, HPHA and HHFDC began operating as separate agencies. HPHA is administratively attached to the Department of Human Services and HHFDC is administratively attached to the Department of Business, Economic Development, and Tourism.

Board of Directors

The Hawaii Public Housing Authority is governed by a Board of eleven directors representing a cross section of public and private expertise. The members meet monthly to oversee operations of the Authority and to provide professional assistance concerning policy matters.

Travis O. Thompson
Chairperson

Eric H. Beaver
Vice-Chair, Oahu at-Large

Matilda A. Yoshioka
Secretary

Anne Marie Beck
Homeless Advocate, Oahu

Rene Berthiaume

Sherrilee K. Dodson
Maui

Clarissa P. Hosino
Resident Member

Carol R. Ignacio
Hawaii

Lillian B. Koller
Ex-Officio, Director, Department of Human Services

Kaulana H.R. Park
Oahu

Linda L. Smith
Ex-Officio, Senior Policy Advisor to Governor Linda Lingle

Message from the Chairperson of the Board of Directors



Aloha,

On July 1, 2006, the housing functions of the Housing and Community Development Corporation of Hawaii (HCDCH) were formally reorganized into the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC). With this change, HPHA was specifically authorized to be the Public Housing Authority for the State of Hawaii, charged with the mission of fulfilling the housing needs of persons and families who are eligible and qualify for low-income and public housing.

The following report summarizes the Authority's activities and accomplishments during its first year. We are making progress toward our objectives of providing well managed and financially viable rental housing where people are proud to live; improving the quality of life for residents and upward mobility along the continuum of housing; ending chronic homelessness in the State of Hawaii, and developing and operating an effective organization.

During the year, HPHA has worked to improve the management of our properties; to reduce the number of vacant units; and to do a better job in collecting the rents that are due. After an extensive search, we were pleased to name Chad Taniguchi, a former housing administrator for Kaua'i County, as the Executive Director in May of 2007. Mr. Taniguchi is fully committed to working closely with the U.S. Department of Housing and Urban Development to improve the management of public housing programs, and in providing a safe, decent and healthy living environment for our residents.

We look forward to the challenges of the coming year and are proud of our accomplishments during our first year as an independent agency.

Respectfully submitted,

Travis O. Thompson
Chairperson of the Board of Directors
Hawaii Public Housing Authority

Message from the Executive Director

Aloha,

The mission of the Hawaii Public Housing Authority is to provide public housing, rental assistance, and homeless services to our most vulnerable citizens.

Fiscal year 2006-2007 was a transition period to separate from our sister agency, the Hawaii Housing Finance and Development Corporation, and reorganize. The transfer of key fiscal management staff to the new HHFDC hampered our ability to maintain the financial records needed to manage properly. Finding staff to lead and restore this office to its essential function remains an important challenge.

The poor condition of elevators is also a challenge, which HPHA partially addressed by asking the elevator repair companies in Honolulu for immediate assistance. Through their help basic repairs were completed in a one-month period to stabilize the elevators. The legislature also provided new funding to modernize all 34 elevators serving public housing units, and for other overdue repairs. More funds are needed to repair the aging public housing stock.

HPHA staff work hard to respond to the demands of Hawaii's housing needs. Through our continuum of care including homeless services, rental assistance vouchers, and efforts to quickly fix and fill public housing units, more families now have safe and decent places to call home. More work is needed to eliminate the backlog of unrepared vacant public housing units and to fill the repaired units more quickly in order to reduce the statewide waiting list of 14,000 families. With only 6,200 public housing units available, HPHA's policy is to evict those who do not pay their rent or are unwilling to be good neighbors, so that each unit is contributing to serving the needs of Hawaii's citizens.

HPHA's 300 employees have a strong sense of responsibility and understand their direct impact on people's lives. HPHA cannot do it alone, however, and is asking residents, community partners and other government agencies to help rehabilitate public housing and provide essential services. Residents are being asked to assume greater responsibility for maintaining the units, grounds, and resident security.

With the leadership of the Board of Directors and the efforts of our staff, residents, and community partners, we look forward to the meeting the challenges ahead.

Mahalo,

Chad K. Taniguchi
Executive Director
Hawaii Public Housing Authority

Helping the Homeless

HPHA's Homeless Programs

HPHA's Homeless Programs Branch contracts with various agencies to provide persons who are homeless with shelter and supportive services, empowers the homeless to attain permanent housing, and implements homeless prevention programs. The program's objectives are to comprehensively address the needs of the homeless in Hawaii and to provide opportunities for homeless people to help themselves achieve improved living situations.

The program consists of three basic components: 1) Facilitating development of programs, strategic planning efforts, and emergency and transitional living facilities; 2) Contracting with private groups and organizations for the delivery of shelter and services to mitigate and eliminate homelessness; and 3) Managing programs and property to maximize the State's homeless resources.

Housing Placement Program

The highly successful Housing Placement Program helps low-income families receive assistance in finding affordable rental units, mentoring on the responsibility of being renters, and financial assistance with the first month's rent or rental deposit. This program provides the linkage between landlords and Section-8 voucher holders and homeless persons transitioning to permanent housing. Landlords are solicited to rent units to low-income clients with a poor credit history. Each client works with a case manager to foster responsible tenancy. In fiscal year 2006-2007, 511 families totaling 2,130 people were placed in affordable rental units and able to sustain their tenancy.



The Next Step shelter in Kaka'ako is an emergency facility housing up to 300 people. Children under the age of 18 make up a third of the residents. Next Step was renovated over the course of three days at a cost of \$200,000 to the State.



Governor Linda Lingle addresses community members in Waianae during an open-forum discussion on homeless issues.

Helping the Homeless

Homeless Shelter Repairs & Services

In 2006, HPHA received an appropriation of \$5,000,000 through Act 100 from the Hawaii State Legislature for homeless shelter repairs and services. An additional \$10,000,000 was received for shelter repairs and renovations.

In previous years, private provider agencies were struggling to meet the demand for homeless services amidst tight fiscal constraints. Consequently, staffing at these private provider agencies was reduced and the shelters were forced to postpone repair and maintenance. However, with the funds provided by these special appropriations much needed renovation and repair to aging shelter facilities and increased program staffing was accomplished. These improvements helped ensure that a safe and healthy environment was provided for clients and services offered that would encourage them to repair their lives.

Community Reintegration Program

This year a new initiative commenced for offenders exiting from correctional facilities who have nowhere to go except into homelessness. This program aims to prevent homelessness and recidivism as part of a national effort to close the door on homelessness. Based on a highly successful program started by the U.S. Office of Social Ministry, twenty apartment units and intensive case management were made available to exiting offenders in Hilo on the island of Hawaii. These individuals have respite on leaving prison to assess their lives, find employment, and acquire permanent housing while knowledgeable counselors are utilized to prevent a return to homelessness and old habits, and inspire a focus on success.



Second Chance is a temporary emergency homeless shelter located in Waianae that provides up to 200 people with a safe place to spend the night and store their belongings during the day.



HPHA Board Director Kaulana Park discusses the design and construction of a Waianae emergency shelter.

Providing & Improving Public Housing

Federally-assisted and state-assisted public housing developments provide homes for more than 14,000 residents statewide. The HPHA manages more than 5,300 units of federal public housing and 860 units of state public housing in 81 developments on the islands of Oahu, Maui, Kauai, and Molokai.

HPHA submitted a request during the 2006-2007 fiscal year to the U.S. Department of Housing & Urban Development to return seventy-two units to the rental inventory. With input from the residents of the Kalihi Valley Homes, HPHA planned to demolish the units in order to reduce the density of the project and provide open space. However, HPHA and residents now agree that the need for affordable housing is more urgent than the need for open space. Upon approval from HUD, the units that were slated to be demolished will be renovated and returned to the rental inventory. Renovation costs will be approximately \$976,000.

Physical Improvements

Lanakila Homes, Phase 3 A Hilo, Hawaii

This is the third phase of a larger project to renovate Lanakila Homes. This year renovations include the demolition of up to 10 deteriorated duplexes and the construction of up to 5 fourplexes totaling 20 units. The construction cost is projected to be approximately \$6.6 million.

Lokahi Hilo, Hawaii

The large capacity cesspool conversion for Lokahi is slated to begin by January 2008 and is scheduled for completion in October 2008. This project involves the replacement of the existing cesspools with a new septic tank system. The construction cost for this project in addition to cesspool conversions at Halaula and Ka'u Teachers Cottages totals approximately \$752,000.



Volunteers celebrated the 29th anniversary of the Institute for Human Services by cleaning and restoring units at Kalihi Valley Homes.



Lt. Governor Aiona and members of his staff partnered with volunteers from Ka Hale Malulani to assist in the renovation of units at the Kupuna Home O Waialua homes in Waialua on Oahu.

Providing & Improving Public Housing

Physical Improvements

Kealakehe Kailua-Kona, Hawaii

The large capacity cesspool conversion at Kealakehe will be completed by March 2008. The work involves installing a new sewer line which will be connected to a new county system. The construction cost is a portion of \$2.9 million.



Hale Aloha O'Puna Keaau, Hawaii

The large capacity cesspool conversion for Hale Aloha O'Puna will start by January 2008 and is scheduled to be completed in October 2008. This work involves the replacement of the existing cesspools with a new septic tank system. The construction cost is a portion of \$876,000.



Noelani I & II Kamuela, Hawaii

Interior repairs were completed in November 2006 for both Noelani I and II. HPHA is currently working on repairing the exterior siding and roofing of both projects. The construction cost for this project is \$2.387 million.



Strengthening Families & Communities

Social and Economic Self-Sufficiency

To foster economic self-sufficiency and promote healthy families and strong communities the Hawaii Public Housing Authority collaborates with federal, state and county agencies and with non-profit organizations to link public housing residents to appropriate services.



Educational Opportunities

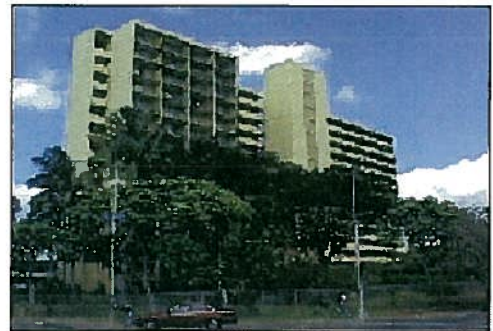
The HPHA continues to offer adults on O'ahu an avenue to obtain a high school certificate through the Competency Based High School Diploma (CBASE) program. HPHA worked in partnership with the Department of Education's Adult Community Schools where evening classes were provided at two different locations throughout the year, including the windward and Kalihi areas.

Transportation Support

The HPHA continued to provide monthly bus passes for residents participating in training, educational activities or volunteering for community service activities.

Elderly Services

The HPHA through grants from the HUD Resident Opportunities and Self-Sufficiency (ROSS) Program continues to provide supportive self-sufficiency services for the residents of elderly and disabled housing complexes. The Child and Family Services provide case management and congregate services to enable elderly and disabled individuals to prolong independent living at Kalanihuia, Makamae, Kalakaua Homes, Makua Ali'i and Paoakalani. The HPHA has begun working with Mental Health Kokua to provide services for residents whose mental illness may be interfering with their independent functioning. This program to improve independent living and quality of life are being provided to residents at Punchbowl Homes, Pumehana, Kalakaua Homes, Makua Ali'i and Paoakalani elderly and disabled housing complexes. Over the course of fiscal year 2007 approximately 127 residents received case management services and participated in activities designed to enhance quality of life and independent living.



Strengthening Families & Communities

Resident Advisory Board

Section 511 of the federal Quality Housing and Work Responsibility Act of 1998 requires public housing agencies to establish a Resident Advisory Board (RAB) whose membership adequately reflects and represents the residents assisted by the Public Housing Authority (PHA). The purpose of the RAB is to assist and make recommendations regarding the development of the HPHA's five year and annual PHA Plan.

Starting with an orientation in August, the HPHA proceeded to meet with the RAB over the next six months to prepare the PHA Plan. Facilitated by HPHA staff, topics discussed at the meetings varied from the rent determination policy to capital improvement needs to the pet policy.

Resident Associations

HPHA continues to provide technical assistance in forming duly-elected resident associations at federal and state public housing communities. Starting with creation of association by-laws and ending with the election of officers, HPHA staff ensures that the association is following the correct procedures. HPHA recognized 7 new federal resident associations and 1 new state resident association, bringing the total number of recognized associations to 52.

Neighborhood Watch and Voluntary Tenant Patrols

HPHA participated in the National Association of Town Watch's "National Night Out" held in August. This year's event took place in Ewa Beach. As part of this national event, members of voluntary resident patrols joined forces with other community members and law enforcement to send the message to criminals that the community is taking a stand against crime. Activities included information booths, a mini patrol walk, and food and entertainment. Fifteen community resident patrols participated in this event.

Providing Rental Assistance

Rental Assistance Programs

HPHA assists families and elderly persons to obtain housing through rent subsidy programs such as the Federal Housing Choice Voucher and the State Rent Supplement Program. These programs help families or individuals find housing in communities of their choice by supplementing their monthly rent payments.

Federal Housing Choice Voucher Program

Through the Federal Housing Choice Voucher Program, the HPHA administered rental vouchers for 1,864 families. Those receiving assistance in the Housing Choice Voucher Program are required to pay only the higher of 10% of their gross family income, or 30% of their adjusted income, for rent. HPHA pays the balance of the approved rent based on the U.S. Department of Housing & Urban Development (HUD) rental limits directly to the landlords.

During the 2006-2007 fiscal year HPHA paid a total of \$16,316,625 in rent under this program.

State Rent Supplement Program

In 1967, Hawaii began the state funded Rent Supplement Program. The program was originally designed for families with incomes over the limits for public housing who are paying more rent than they can afford in the private market. The program has since transitioned and now targets very low-income families. Rent supplement participants pay a minimum of 30% of their adjusted income for rent, with HPHA paying up to \$160 per month of the balance. Currently, HPHA assists 389 households through the Rent Supplement Program by making direct rental payments to landlords in the amount of \$668,705 per year.

In 2007, House Bill 1364, Relating to the State Rent Supplement Program, was enacted by the State Legislature and signed by the Governor. With the passage of this Administration-sponsored legislation HPHA was able to increase the income limits for participation in the Rent Supplement Program. HPHA was also able to increase the amount of assistance participants receive from \$160 to \$230 per month. These new benefits were effective on January 1, 2008 and HPHA projects that the over \$1,000,000 in operating funds appropriated by the State for this program will be fully expended and an additional 15 new participants added by the end of Fiscal Year 2007-2008.

Housing Legislation Passed In 2007

Act 193, Session Laws of Hawaii (House Bill 1361) Relating to Housing

This act contains necessary technical and housekeeping amendments within chapter 356D, Hawaii Revised Statutes, to reflect the legislature's intent to codify various acts into this chapter.

Act 223, Session Laws of Hawaii (House Bill 1364) Relating to the State Rent Supplement Program

This act was an Administration initiative which amends chapter 356 of the Hawaii Revised Statutes. It includes provisions to broaden participation in the State Rent Supplement Program by removing the statutory limitation on the subsidy amount. This measure also increases the income limits for participation to 95% of annual median income, with a preference to qualified tenants with incomes up to 80% of annual median income.

Act 237, Session Laws of Hawaii (House Bill 928) Relating to Social Services

This act amends chapter 346, Hawaii Revised Statutes, in order to increase homeownership for low- and moderate-income families. \$500,000 was appropriated to the Hawaii Public Housing Authority for each of the fiscal years 2007-2008 and 2008-2009 in support of the following key provisions:

- 1- Increase outreach to the public in order to increase the number of enrollees in the Section 8 Homeownership Option and the Housing Choice Voucher Family Self-Sufficiency Programs;
- 2- Provide matching grants or loan forgiveness to Section 8 Homeownership Option program participants to help with down payments; and
- 3- Provide additional state matches to Housing Choice Voucher Family Self-Sufficiency Program participants to help them build homeownership savings.

Additionally, this legislation creates an exemption for family self-sufficiency escrow accounts from the asset test for public assistance and increases state supplemental payments for certain domiciliary care.

Senate Resolution 100, Hawaii Public Housing Authority to Report on Project Spending

This resolution requests that the Hawaii Public Housing Authority, because of its recent establishment and the various sources of funds it is responsible for, report on its project spending to ensure proper and effective use and management of funds.

House Resolution 177, Urging the United States Department of Housing & Urban Development to Remove Designated Units at Kalihi Valley Homes from the List of Structures Scheduled for Demolition and to Work with the Hawaii Public Housing Authority to Renovate the Buildings Instead

Currently, the U.S. Department of Housing and Urban Development has 72 units at Kalihi Valley Homes scheduled for demolition. This House Resolution urges the federal department to remove those units from its demolition list and instead work with the Hawaii Public Housing Authority to renovate the existing units in order to help replenish the inventory of public housing more quickly than demolishing and reconstructing units elsewhere.

Financial Data and Audit Report

The following pages are the financial statements taken from the independent auditor's report for the fiscal year ending June 30, 2007. The entire 2007 financial audit can be viewed on the internet at:

http://www.hcdch.hawaii.gov/documents/HPHA%2007_Final%20FS.pdf

Employee Service Awards

YEARS OF SERVICE

40 Years

James Kekawa

30 Years

Robert Monguchi

Edmund Morimoto

20 Years

Milton Akana

Richard Cummings

Ernesto Delos Santos

John Guzman

Bert Hashimoto

Gilbert Nakagawa

Cynthia Yoshida

10 Years

Lili Funakoshi

Darlene Kawashige

James Miyasaki

Earl Nakaya

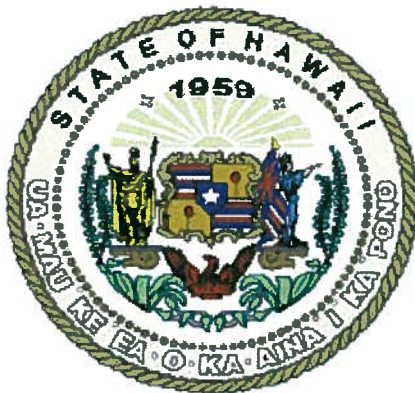
Kim Rodrigues-Ontai

Doroteo Salangsang Jr.

Alalagafa Talaeai



HPHA employee Elena Murayama (left) was acknowledged for Sustained Superior Performance and Patti Miyamoto (right) was named the Department of Human Services' Manager of the Year.



**Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817
(808) 832-4692
www.hpha.hawaii.gov**



**EQUAL HOUSING
OPPORTUNITY**